RSN BRIEFING FOR RURAL MPs

Rural services cost more to deliver. The funding formula only partly reflects those costs.

Why it matters

The Rural Services Network has long campaigned for fairer funding for rural local authorities.

Successive years of underfunding has meant that Rural Residents already pay around **17% more per head in council tax**.

Urban Councils receive 32%more in Government Funded Spending Power than rural councils per head. Between 2024/25 and 2028/29, **government-funded spending power** is set to grow by **20% in urban areas and 2% in rural areas**.

Rural councils cover two thirds of England's land. Independent research carried out by Grant Thornton and commissioned by the Rural Services Network found that some of the extra costs of serving rural communities are still under-recognised in how Government funds local authorities.
You can read the full report at this link: https://rsnonline.org.uk/cost-of-rural-services/

Where the costs show up

- **Distance.** Care workers in rural areas can spend **a fifth of their time travelling**. In one council, reablement workers complete **30% fewer visits per shift** in its most rural area than in its most urban area. The formula gives accessibility only a small weight.
- **Networks.** Rural councils spend **3.4 times as much per head on winter service** and **2.4 times as much supporting buses**. Rural minor roads are still in worse condition.
- **Thin markets.** One rural council pays **£4.25 an hour above its regional average** for home care, equivalent to around **£2.6m a year**.
- **Remoteness.** The formula recognises remoteness in adult social care. Children's social care involves home visits across the same geography and has no equivalent remoteness adjustment.

Four questions to ask ministers

1. **Children's social care.** Why does the remoteness adjustment apply to adult social care but not to children's social care?
2. **Accessibility.** What evidence on the cost of delivering services was used to set the accessibility weighting, and how did the Department account for staff travel time?
3. **Thin markets.** Will the Department recognise limited provider competition as a distinct cost driver and support councils with joint procurement and market shaping?
4. **Evidence.** Will the Department work with RSN to collect consistent evidence on rural delivery costs that national spending returns do not separately identify?